

ENORMOUS LOSS BY GOVERNMENT BUYING LEATHER

Purchased Greatly in Excess of Needs, to Be Sacrificed Now.

EXTRAVAGANCE SHOWN

Vast Stock Held Two Years After Dealers Would Have Bought It Back.

MARKET IS DISREGARDED

Dealers Allowed to Buy From Themselves, Bills Paid Without Question.

Special Despatch to THE NEW YORK HERALD
New York, Oct. 20. (Herald Bureau.)

With the second anniversary of the signing of the armistice only a few days away, the War Department has just announced the execution of a contract looking to the disposal of its enormous surplus stock of harness and cut leather. The purchase of this material during the war, in quantities so far in excess of actual or possible needs as to draw the fire of Congress, sent the prices of all leather goods skyward.

An appalling discrepancy between the amount of material bought at prohibitively high prices by the Government and what was actually needed for war purposes is disclosed in an analysis of the deal, contributing still further to the record of extravagance established by the Democratic Administration.

This vast stock of leather has been held in Government warehouses for almost two years and up to the present only abortive efforts have been made to realize upon the value of the goods for the benefit of a depleted national treasury, to say nothing of getting the material into the hands of a public in desperate need of it. The work is now only started, for, as explained by the department, the items covered by the contract are in part of a purely military or non-commercial variety and must be recondi-

tioned and converted into salable articles. The United States Harness Company, with which the contract is made, is headed by George B. Goetz, identified in the department's announcement simply as "of Charlestown, W. Va." He served during the war as an officer in the Quartermaster Corps and had charge of the purchase of the equipment he is now taking over, buying, it is charged, in most extravagant amounts.

"Bought From Themselves." Members of Congress severely criticized the War Department for the practice of permitting men "to buy from themselves" when the Government was purchasing supplies, as many of the dollar-a-year men did, subordinate officers signing the contracts for the Government in order to satisfy the technical requirements of the law. "The department's justification was that it had to have men of experience as buyers."

What is regarded by some as an effort to forestall any such criticism in connection with the present contract is contained in the official announcement wherein it is stated, although not mentioning Mr. Goetz as such, that: "The War Department considers itself peculiarly fortunate in having made the contract with the men of the standing, experience and capacity possessed by those representing and guiding the United States Harness Company. The majority of the officers of this corporation have had considerable experience during and subsequent to the war with the material constituting the subject matter of this transaction in connection with their duties in the Quartermaster Corps, in purchasing such material, and supervising its manufacture on behalf of the Government, and later in their efforts to induce commercial concerns to become interested in the buying, remodelling and resale of these items."

Paying Without Question.

"The system employed, as shown by the uncontradicted testimony," says Representative C. F. Reavis of Nebraska, chairman of the subcommittee that investigated the Quartermaster Corps' expenditures, in referring to the buying methods of the War Department, "was to permit a manufacturer to recommend to the department the purchase of his own goods in whatever quantity he desired and at whatever price he suggested and the department executed the contract, purchased the commodity and paid the price, without more than a perfunctory investigation. "Many of the individuals who operated in Washington during the war as 'dollar-a-year men' gave to their country the most distinct service; to others, however, the temptation proved too great. It is no wonder that such a system as this was productive of many unnecessary purchases and of great waste of public funds. Some of the witnesses who testified before the committee sought to break the force of the criticism by saying that most of the men who so acted were Republicans. It should be known such men are neither Republicans nor Democrats."

The investigation conducted by the Congressional committee showed that saddles and harness were purchased in tremendous quantities. The leather requisitioned by the War Department for these articles and for shoes amounted to 300,000 more hides than was ever produced in America in any one year. According to data compiled by the

committee the United States had in all during the period of the war 580,182 horses, of which only 67,948 were shipped overseas and 96,000 died. Because of the wastage by death, sickness and injury, and because animals were sold and purchased at different times, it is estimated by War Department officials that the Government never had at any one time more than 300,000 animals.

For these animals, only a part of them being draft mules and artillery horses, the War Department bought 501,326 double sets of harness and 110,825 single sets. The Government bought 945,000 saddles and had, in all, 86,418 cavalry horses.

The Government bought 2,850,853 halters.

The Government bought 585,615 saddle bags.

The Government bought 1,637,199 horse brushes.

The Government bought 2,033,304 nose bags.

The Government bought 1,148,364 horse covers.

The Government bought 8,731,516 horseshoes.

The Government bought 195,000 branding irons.

For ordnance officers were purchased 100 complete sets of spur straps; about thirty-six sets for each officer.

The Government ordered 41,100,152 pairs of shoes and received deliveries of 32,227,450 pairs for \$3,518,887.

"In view of the dismal failure to produce the principal things soldiers need to fight with—guns and shells, gas, aeroplanes and tanks," says Representative W. J. Graham of Illinois, chairman of the main investigating committee, in citing the figures just given, "it is amazing to know what excessive orders and expenditures there were on other less essential things."

Branding Irons Inferior.

Not only were the purchasing agents in this department, which with others was under the general supervision of Secretary of War Baker, overenthusiastic in the number of irons ordered, but they also insisted upon a special quality of cast copper for which the Government agreed to pay and did pay at the rate of 33½ cents a pound.

After the receipt of the branding irons by the Government, according to evidence given before the investigating committee, it was discovered that, notwithstanding the high price paid for them, chemical analysis showed them to be of a very inferior grade. Instead of penalizing the contractor for not following specifications he was paid the full agreed price.

Most of these irons were accepted by the Government after the armistice and a short time thereafter were sold back to the firm from which they were purchased at eleven cents a pound. When this action was challenged by the committee the War Department justified the price upon the ground that the copper was of inferior grade and that the contractor paid all it was worth.

The execution of the contract covering the entire "surplus" of harness, harness equipment, spare parts and cut leather

Price Higher Than the Market.

All this equipment, largely in excess of any possible need, was acquired at a price considerably higher than the very highest price then prevailing, the explanation given being that it was paid to stimulate production. In addition to the purchases above mentioned, as well as many articles of equipment that nature not touched upon, there was an item when the armistice was signed \$300,000 pounds of black harness leather. The general market had been swept almost clean of leather. The farmers could not buy harness and the American people were paying prohibitive prices for footwear. To cap the climax, according to criticism voiced in Congress, the Administration, seemingly not content with having proved itself the worst enemy of its own people by such reckless buying, continued to hold the material in its storehouses.

Now, two years after the close of the war, the first bona fide attempt is made to get this great surplus stock out of Government storehouses, and the material is to be sold, or prepared for sale, at a time when the worst need of it is acute and when the market is falling. Members of Congress say they are amazed at the statement made in the official announcement of the execution of the contract that the public refused to buy this stock when offered for sale.

Still Back Resales.

These Congressmen, among whom is Representative Reavis of Nebraska, say

that following the war their mail was heavy with the appeals of leather manufacturers that they be given an opportunity to buy both the raw material and the finished goods. The manufacturers, where necessary, and where necessary, they would make over for commercial uses, so great was their need of leather. They say that prompt action at that time would have permitted the War Department to readily dispose of what it now claims was "a white elephant."

One item in particular among those purchased in excessive quantities has let the Democratic Administration in for severe criticism on the floor of Congress and elsewhere. It was the contract for the purchase of 195,000 branding irons, or a little more than one iron for every two animals. It has especially stirred the ire of members of Congress from the Western States, who are more familiar with the subject matter.

"Why, the War Department might as well have bought every horse and mule an individual toothbrush," is the comment of Senator Sterling of South Dakota. "The ranchers in my State consider themselves fortunate when they can dig up or purchase from some other rancher one of the old branding irons used for generations by the Indians and good for as many years more."

Cruisers and Gunboats Offered by Navy Department.

WASHINGTON, Oct. 20.—Five old style warships and twenty-five miscellaneous vessels are to be offered for sale by the Navy Department by competitive bidding. Tenders will be opened October 28.

The five warships include the cruisers Raleigh, Cincinnati and the gunboats Machias, Castine and Petrel. The largest vessel included in the lot is the Supply, used during the war as a supply ship for the naval shore stations.

"In view of the dismal failure of these vessels," said the department's announcement to-day, "is to be turned over by the Navy Department to the Treasury Department as a refund for war expenditures. It is expected that over a million dollars will be realized in the sale of these vessels."

CIRCULATION MEN ELECT.

A. W. Cockerill of the Utica 'Press' Chosen President.

ROCHESTER, Oct. 20.—The New York State Circulation Managers Association in session here to-day elected the following officers: President, A. W. Cockerill, Utica Press; first vice-president, W. S. Hixson, Syracuse Post-Standard; secretary, P. S. Levy, New York Mail; secretary-treasurer, J. W. O'Connor, Albany Knickerbocker Press. Directors, F. A. Roberts, Rochester Times-Union; M. D. Treble, Buffalo Times; M. J. Burke, Brooklyn Eagle; G. S. England, Gloversville Leader; S. E. Blewer, Binghamton Press.

The selection of the next meeting place was left to the directors.

ARMY FOOD STORED ON CANNERS' PLEA

Continued from First Page.

the people. Several of the leading hotels of this city appear to have been among the customers who received thousands of pounds of it and certain of the highest priced restaurants in the city are on the list of those who received it. In fact, while the War Department disposed of this poultry at a great sacrifice, the persons who ultimately consumed it in Fifth avenue and in the White Light district of Broadway paid the usual menu price.

Nor was this the only instance in which such practices were indulged in. Mutton, veal, pork, beef, kinds of beef and other meats in enormous quantities have been sold to private dealers, who in many instances have sold them to their customers at rates out of all proportion to what they paid for them, or have sold them to restaurateurs and retailers who have seen to it that the public got no benefit from the army's sacrifice sale.

ADMITS RADICAL LETTER.

Chicago Lawyer, on Trial Here, Accused of Criminal Anarchy.

ISAAC E. FERGUSON, the Chicago lawyer on trial before Justice Bartow S. Weeks of the Supreme Court charged with criminal anarchy, admitted yesterday that he was the writer of a letter to John Kennedy of Eccles, W. Va., whom he was trying to interest in the radical wing of the Socialist party.

The letter was written August 4, 1914, on stationery of the Left Wing Socialist party and Ferguson explained that it was sent at the suggestion of Comrade Frank Graham, who was in jail. Four other witnesses were examined during the day.

DAWSON HAS PLENTY OF MEAT.

DAWSON, Y. T., Oct. 20.—This city has no fear of meat shortage this winter with thousands of caribou roaming in great herds up to the very outskirts of Dawson. Every house in the city has been stocked up with caribou for the winter and it is estimated there are at least 30,000 of the animals running at large in the vicinity.

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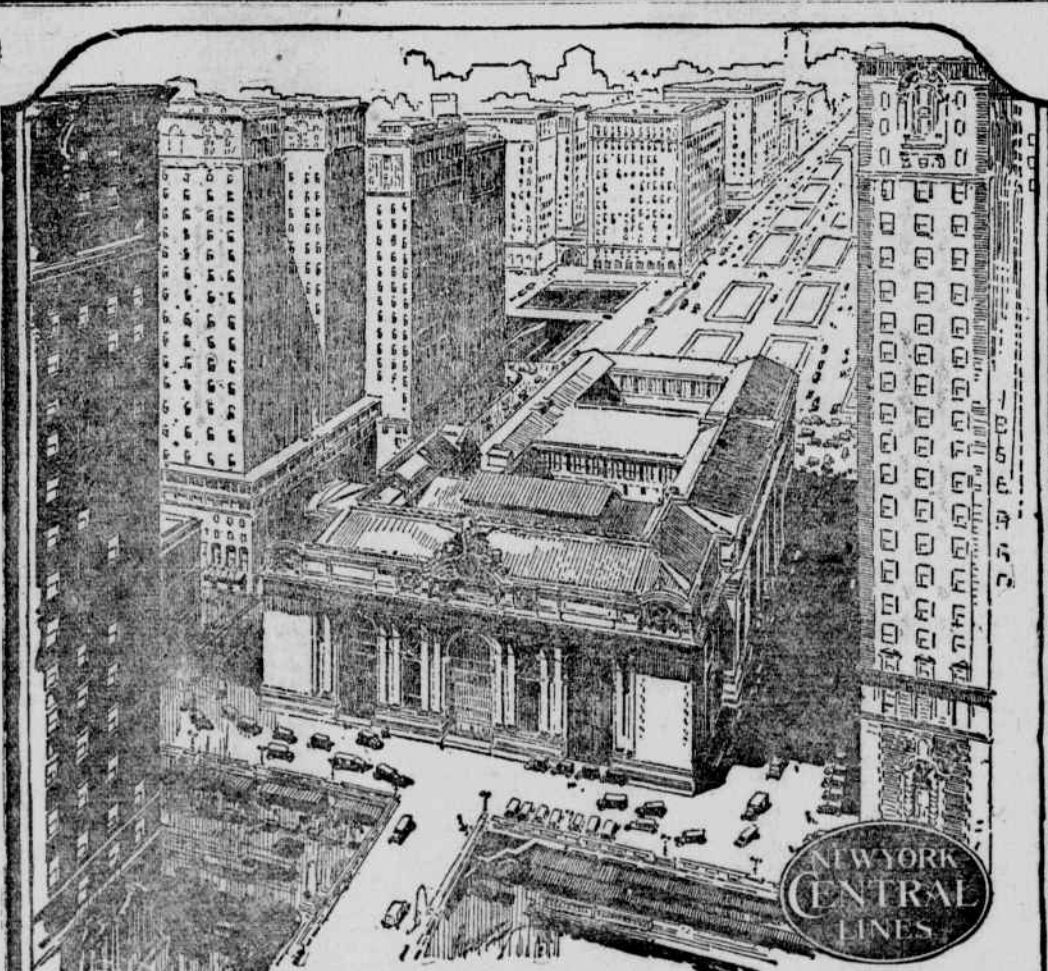
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The New York Central Lines strive always to maintain this tradition of service to individual communities as well as to the nation as a whole. It was for the greater convenience of the public generally that the Grand Central Terminal, where an average of 115,372 passengers are served each day, was planned and built; yet the Engineering News-Record, in an editorial on September 9th, generously gave the development larger significance:

"The term 'Grand Central' no longer designates a mere railroad station, but a large and impressive civic center. The story of its development in the last twenty years is a romance. Where there were formerly smoking stacks and four-story buildings, there are now handsome structures—office buildings, stores, hotels, apartments and clubs. The terminal area itself, because of its attractiveness, has become the heart of a still greater development, radiating from it in every direction. In fact the whole surrounding neighborhood now goes by the name of Grand Central District, and is one of the chief business centers of the metropolis. As a civic as well as a railroad development, it is unique and stands as a monument to the foresight of the New York Central Railroad."

In every locality served, the New York Central Lines necessarily must aid civic growth, not merely as an employer of labor, a carrier of commerce and an artery of trade, but by linking the surrounding farm areas to profitable markets.

Those who have invested their savings in railroad securities have the satisfaction of knowing that they have not merely aided in railroad development, but have helped, and are helping, to open the gates of national prosperity and progress.

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